



- _ **€3 million** in attempted **fraud prevented** in the first year of the relationship
- _ **Chargeback** rates reduced to **less than 0.1%**
- _ **Manual review** rates reduced to **less than 5%**

Reducing risk and supporting international sales at Aegean Airlines

Case study

"ReD has guided us through a number of difficult challenges and enabled our business to flourish, drastically reducing our risk levels and costs while supporting the expansion of our existing and new sales channels. The risk analysts continue to guide us, providing invaluable day-to-day support to our fraud teams."



Background

Narrow profit margins are commonplace in the travel and airline industries, making the swift and secure processing of customer payments a high priority. The complex multi-channel, international nature of the travel market also makes it a key target for fraudsters, and airlines frequently experience some of the highest fraud to turnover ratios of any industry.

Aegean Airlines, the largest carrier in Greece and a Star Alliance member, connects Greece with 87 international destinations in 32 countries, as well as flying to 33 domestic airports. In 2014, the company plans to operate approximately 100,000 flights and to offer more than 13 million seats, including 6.6 million seats to 33 domestic destinations and 6.4 million seats to 87 international destinations. During the year, Aegean Airlines will extend its reach to make 205 international routes and 51 domestic routes available, from eight Greek Aegean bases.

With the increase in international passengers, however, has come a corresponding increase in fraudulent transactions received by Aegean Airlines. The airline quickly realized they needed an expert partner to help them reduce their risks and support genuine sales.

The challenge

Aegean Airlines was experiencing fraud issues across a number of channels. Chief among these was the online channel but fraud was also evident in call center transactions.

Bookings being made less than a week before departure were one of the biggest problem areas, accounting for 81% of fraud. Many of these transactions were being conducted using US cards. The card schemes intervened, introducing the possibility that the airline's US sales channel would be shut down, due to unacceptably high fraud rates. With 50% of Aegean Airlines' transactions coming from international cards, this presented a huge threat to the company's profitability and growth prospects.

After an extensive selection process, Aegean Airlines identified ReD, with its sector specific fraud solutions and global expertise and Amadeus, with a travel customized payment platform, as the right partners to help the company address these challenges.

The solution

Prior to engaging ReD, Aegean Airlines' fraud screening was reliant on manual processes - nothing was automated. ReD's expert risk analysts worked closely with the airline's own team to review the existing rules, also making an historical analysis of six months of transaction data to form a comprehensive view of customer behavior profiles, trends and the effectiveness of the existing fraud prevention approach. Based on their knowledge of the industry and broader fraud trends, the ReD team was able to recommend the addition of several new data fields to enhance Aegean's fraud strategies.

With the information gathered through the review process, ReD and Amadeus worked with Aegean to implement a travel customized version of the ReD Shield® online fraud prevention solution, with built-in case management functionality and a bespoke reporting module. This gives Aegean Airlines the ability to view key transaction trends quickly and easily, and obtain other valuable information that helps to implement timely and effective rule changes where needed. Core to the new strategy was a focus on critical issues, for instance consistently prioritizing short notice bookings in the fraud screening process.

To ensure a smooth transition into production, expert teams from ReD and Amadeus stayed on site at Aegean over the course of the launch, providing 'go live' analysis and making minor adjustments to ensure the solution was fully optimized and working efficiently.

The benefits

The first year of the collaboration between Aegean Airlines, ReD and Amadeus delivered a range of demonstrable benefits including:

- _ an average 97% of all confirmed fraud was denied by the rules, saving the airline €3 million
- _ manual review rates reduced from 12% to less than 5%
- _ chargeback rates now less than 0.1% on average

The cost savings and efficiencies achieved since the implementation of ReD Shield have also enabled Aegean Airlines to extend the solution to cover call center transactions without any additional resource requirements to support fraud screening.

With its acquisition of Olympic Air, Aegean Airlines is now building on its earlier growth and success, secure in the knowledge that the fraud strategy supports the company's business objectives and, with the help of ReD and Amadeus, is easily reconfigured to address any changes in the customer base or transaction trends.

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About Amadeus

Amadeus is a leading provider of advanced technology solutions for the global travel industry. Customer groups include travel providers (e.g. airlines, hotels, rail and ferry operators, etc.), travel sellers (travel agencies and websites), and travel buyers (corporations and travel management companies).

Amadeus has been providing payment services for more than 20 years, successfully addressing key payment challenges for the travel industry. To do so, we leverage a team of financial payment experts in travel and a unique payment community platform, which Amadeus is constantly evolving functionally and technically, to meet our customers' needs across the markets where we operate.

To find out more about Amadeus please visit www.amadeus.com

About ReD

ReD is a specialist provider of fraud prevention and payment services worldwide. The company has offices and staff around the world and works closely with global, regional and local partners.

ReD provides fraud solutions for all payment transaction types. The company is present in every part of the payments value chain, protecting merchants, issuers, acquirers, PSPs, processors and switches, through our ReD Shield®, ReD PRISM® and ReD Fraud Xchange™ fraud prevention solutions, ReDi™ Business Intelligence portal and ReD1 Gateway™ and LiveProcessor™ processing solutions. All our solutions are supported by a team of industry leading fraud and risk experts, helping to protect you in the global fight against payment fraud.

For more information, please visit www.redworldwide.com

About Amadeus Travel Payments

Amadeus Travel Payments is a team of experts positioned at the crossroads between technology, travel and payments. We processed our first travel payment in 1992 and today process over USD 80bn worth of payment transactions a year. Amadeus offers a travel-customised payment platform which enables travel companies of all types to accept payments from their customers and make payments to their suppliers.

Together, let's shape the future of travel!

If you want to know more, contact your Account Manager today or send us an email at: travel.payments@amadeus.com or follow us on LinkedIn at "Amadeus Travel Payments".